



County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

June 12, 2007

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

A handwritten signature in black ink, appearing to be "DJ", is written over the name "David E. Janssen" and extends across the "To:" list.

SACRAMENTO UPDATE

Budget Conference Committee

The Conference Committee resumed deliberations today, and acted on the following items of interest to the County:

Foster Care Provider Rate Increase. The Conference Committee approved the Assembly proposal for a five percent rate increase for foster homes and group homes, effective January 1, 2008, but excluded foster family agencies (FFA) from the increase. The proposal was approved by a partisan vote of 2 to 1 in the Assembly and 2 to 1 in the Senate. Assembly Member Laird stated that FFA's already have an enhanced rate, and Senator Ducheny indicated that it was important to include group homes because without them, many of the foster children currently in group homes could end up in the juvenile justice system at a far greater expense to the State. Senator Hollingsworth expressed concerns about the annualized cost of the rate increase to the State over time.

An increase in the foster care provider rates could significantly impact Los Angeles County. Under the County's Title IV-E waiver, Federal funds and State General Funds

for child welfare administration and assistance costs are capped. The draft Title IV-E waiver Memorandum of Understanding with the State includes language which would require the State to work with the County to adjust the State cap in the event of program or policy changes that result in increased costs; however, similar language is not included in the Federal component of the waiver. Under the Senate's original proposal, which would have been effective July 1, 2007, the County faced an estimated \$72.9 million cost increase over five years if the provider rate increase was approved. Under the Assembly proposal, the estimated impact to the County is approximately \$46.6 million (an estimated \$41.5 million for Title IV-E Waiver programs and \$5.1 million for non-Waiver programs) over the same five-year period.

Integrated Services for Homeless Adults with Serious Mental Illness (AB 2034) Program. The Conference Committee approved the Senate's proposal to restore \$54.9 million for the AB 2034 Program, by a partisan vote of 2 to 1 in the Assembly and 2 to 1 in the Senate. The Governor's January Budget proposed to eliminate all program funding, and recommended that counties backfill the program with Proposition 63 funds. However, Proposition 63 specifically prohibits using the funds to supplant existing programs. The County supported the Senate proposal. Based on the Conference Committee action, the County will receive an estimated \$17 million to restore the AB 2034 Program to the current year level allocation.

Adult Protective Services Program (APS). The Conference Committee approved the Assembly proposal for a \$12 million augmentation to fund the APS Program in FY 2007-08. The proposal was approved on a party line vote of 2 to 1 in the Assembly and 2 to 1 in the Senate. The Senate proposal was for a \$10 million augmentation. The County supported the Assembly proposal. Based on prior year allocations, it is estimated that the County could receive approximately \$3.1 million above current year funding for the APS Program.

Mentally Ill Offender Criminal Reduction (MIOCR) Program. The Conference Committee approved the Senate proposal to eliminate all MIOCR Program funding (\$44.6 million) in FY 2007-08. The proposal was approved by a vote of 2 to 1 in the Assembly and 3 to 0 in the Senate. The Assembly did not consider this issue. The County opposed the Senate proposal. The estimated impact on the County is a \$3.4 million reduction.

Transitional Housing Program-Plus (THP-Plus). The Conference Committee approved the Senate proposal for a \$19.7 million augmentation above the Governor's May Revision budgeted amount of \$15.5 million. The proposal was approved by a partisan vote of 2 to 1 in the Assembly and 2 to 1 in the Senate. THP-Plus provides emancipated foster youth between 18 years to 24 years of age with an array of services

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to become independent and avoid homelessness, incarceration, and reliance on public assistance. The County supported the Senate proposal.

We will continue to keep you advised.

DEJ:GK
MAL:MR

c: All Department Heads
Legislative Strategist
Local 660
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants